

By: Geren, Guillen

H.B. No. 3648

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility and designation of certain gas entities and gas facilities as critical during an energy emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 38, Utilities Code, is amended by adding Section 38.074 to read as follows:

Sec. 38.074. CRITICAL GAS ENTITIES AND FACILITIES DURING AN ENERGY EMERGENCY. (a) The commission shall work with the Railroad Commission of Texas and adopt rules to establish a process to designate certain natural gas facilities and entities associated with providing natural gas in this state as critical during an energy emergency.

(b) The commission by rule shall require each electric utility, municipally owned utility, and electric cooperative to exclude any circuits that provide power to an entity or facility designated under Section 81.073, Natural Resources Code, from participation in the utility's or cooperative's attempt to shed load in response to a rolling blackout initiated by an independent organization certified under Section 39.151 or another reliability council or power pool in which the utility or cooperative operates.

(c) At a minimum, the commission's rules must:

(1) ensure that transmission and distribution utilities, municipally owned utilities, electric cooperatives, and the independent organization certified under Section 39.151 for the

1 ERCOT power region are provided with the information required by  
2 Section 81.073, Natural Resources Code;

3 (2) provide for a prioritization for load-shed  
4 purposes of the entities and facilities designated under Subsection  
5 (a) during an energy emergency; and

6 (3) provide discretion to transmission and  
7 distribution utilities, municipally owned utilities, and electric  
8 cooperatives to prioritize power delivery and power restoration  
9 among the customers on their respective systems, as circumstances  
10 require.

11 SECTION 2. Subchapter C, Chapter 81, Natural Resources  
12 Code, is amended by adding Section 81.073 to read as follows:

13 Sec. 81.073. CRITICAL GAS ENTITIES AND FACILITIES DURING AN  
14 ENERGY EMERGENCY. (a) The commission shall work with the Public  
15 Utility Commission of Texas to designate certain natural gas  
16 facilities and entities associated with providing natural gas in  
17 this state as critical during an energy emergency.

18 (b) At a minimum, the commission's rules must:

19 (1) establish eligibility and designation  
20 requirements for persons who own or operate a facility under the  
21 jurisdiction of the commission under Section 81.051(a) or engage in  
22 an activity under the jurisdiction of the commission under Section  
23 81.051(a) who must provide critical customer designation and  
24 critical gas supply information, as defined by the commission, to  
25 the entities described by Section 38.074(c)(1), Utilities Code; and

26 (2) consider essential operational elements when  
27 defining critical customer designations and critical gas supply

1 information, including natural gas production, processing, and  
2 transportation and related produced water handling and disposal  
3 facilities and the delivery of natural gas to generators.

4 SECTION 3. (a) The Public Utility Commission of Texas and  
5 Railroad Commission of Texas shall adopt the rules required by this  
6 Act not later than September 1, 2021.

7 (b) The Public Utility Commission of Texas shall provide a  
8 report to the legislature regarding its implementation of the  
9 designation and prioritization requirements, as added by this Act,  
10 not later than January 1, 2022.

11 SECTION 4. EFFECTIVE DATE. This Act takes effect  
12 immediately if it receives a vote of two-thirds of all the members  
13 elected to each house, as provided by Section 39, Article III, Texas  
14 Constitution. If this Act does not receive the vote necessary for  
15 immediate effect, this Act takes effect December 1, 2021.